

**CFR INVESTMENTS LIMITED
ANNUAL REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2016**



CFR INVESTMENTS LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2016

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CFR INVESTMENTS LIMITED
STRATEGIC REPORT
YEAR ENDED 31 OCTOBER 2016

Registration Number: 07012921

The directors present their strategic report for the year ended 31 October 2016.

Principal activity

The principal activity of the company is that of a holding company for an electrical contracting group of companies.

Fair review of the business

At the year end the group had shareholders' funds of £2,689,972 including distributable profits of £2,589,972. The directors believe that the company's position is satisfactory especially as the company's net current assets exceed its current liabilities by £2,578,090.

The directors have assessed the possible risks facing the company over the next twelve months with the continuing UK economic uncertainty remaining the major risk factor.

The directors believe that by focusing on customer service and retaining a lean business model this will not only mitigate any possible risks but will also see consistent growth and satisfactory trading results for the coming year.

Approved by the Board on 26 April 2017
and signed on its behalf by:


.....
M B Roberts
Director

CFR INVESTMENTS LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 OCTOBER 2016

The directors present their report and the for the year ended 31 October 2016.

Directors of the group

The Directors who held office during the year were as follows:

M B Roberts

K M Roberts

Dividends

The directors do not recommend the payment of a dividend.

Financial instruments

Objectives and policies

The group and company finances its operations through a mixture of retained profits, and where necessary to fund expansion or capital expenditure programmes through bank borrowing.

The management's objectives are to:

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;
- minimise the company's exposure to fluctuating interest rates when seeking new borrowings; and
- match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the company's trading activities.

As the group's and company's funds are invested in sterling bank deposit accounts there is no price risk exposure.

The group's and company's funds are held primarily in short term variable deposit accounts. The directors believe that this gives them the flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

The auditors Cassons business advisers LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 26 April 2017
and signed on its behalf by:


.....
M B Roberts
Director

CFR INVESTMENTS LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES****YEAR ENDED 31 OCTOBER 2016**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CFR INVESTMENTS LIMITED
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 OCTOBER 2016

We have audited the financial statements of CFR Investments Limited for the year ended 31 October 2016, set out on pages 6 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the company's affairs as at 31 October 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

CFR INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED 31 OCTOBER 2016

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Anthony Reynolds (Senior Statutory Auditor)
For and on behalf of:

Cassons business advisers LLP, Statutory Auditor
Rational House
64 Bridge Street
Manchester
M3 3BN

27 April 2017

CFR INVESTMENTS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 OCTOBER 2016

	Note	Total 31 October 2016 £	Total 31 October 2015 £
Turnover	3	28,197,454	30,219,272
Cost of sales		<u>(22,137,031)</u>	<u>(24,125,604)</u>
Gross profit		6,060,423	6,093,668
Administrative expenses		(5,466,079)	(5,446,810)
Other operating income	4	<u>36,000</u>	<u>36,000</u>
Operating profit	5	630,344	682,858
Interest payable and similar expenses	6	<u>(28,061)</u>	<u>(28,782)</u>
Profit before tax		602,283	654,076
Taxation	10	<u>(153,634)</u>	<u>(170,610)</u>
Profit for the financial year		<u>448,649</u>	<u>483,466</u>
Profit/(loss) attributable to:			
Owners of the company		<u>448,649</u>	<u>483,466</u>

The above results were derived from continuing operations.

The group has no recognised gains or losses for the year other than the results above.

CFR INVESTMENTS LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****YEAR ENDED 31 OCTOBER 2016**

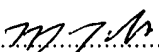
	Note	2016 £	2015 £
Profit for the year		<u>448,649</u>	<u>483,466</u>
Total comprehensive income for the year		<u><u>448,649</u></u>	<u><u>483,466</u></u>
Total comprehensive income attributable to:			
Owners of the company		<u><u>448,649</u></u>	<u><u>483,466</u></u>

CFR INVESTMENTS LIMITED
CONSOLIDATED BALANCE SHEET
31 OCTOBER 2016

Registration Number: 07012921

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	121,582	146,963
Current assets			
Debtors	13	5,992,249	7,265,757
Cash at bank and in hand		<u>1,898,827</u>	<u>1,368,585</u>
		7,891,076	8,634,342
Creditors: Amounts falling due within one year	15	<u>(5,312,986)</u>	<u>(6,532,324)</u>
Net current assets		<u>2,578,090</u>	<u>2,102,018</u>
Total assets less current liabilities		2,699,672	2,248,981
Provisions for liabilities	16	<u>(9,700)</u>	<u>(7,658)</u>
Net assets		<u>2,689,972</u>	<u>2,241,323</u>
Capital and reserves			
Called up share capital	18	1	1
Other reserves		99,999	99,999
Profit and loss account		<u>2,589,972</u>	<u>2,141,323</u>
Equity attributable to owners of the company		<u>2,689,972</u>	<u>2,241,323</u>
Total equity		<u>2,689,972</u>	<u>2,241,323</u>

Approved and authorised by the Board on 26 April 2017
and signed on its behalf by:



M B Roberts
Director

CFR INVESTMENTS LIMITED**BALANCE SHEET****31 OCTOBER 2016****Registration Number: 07012921**

	Note	2016 £	2015 £
Fixed assets			
Investments	12	100	100
Current assets			
Cash at bank and in hand		1	1
Creditors: Amounts falling due within one year	15	<u>(100)</u>	<u>(100)</u>
Net current liabilities		<u>(99)</u>	<u>(99)</u>
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital		<u>1</u>	<u>1</u>
Total equity		<u>1</u>	<u>1</u>

The company made a profit of £nil (2015 - £nil) as the company has not traded during the year.

Approved and authorised by the Board on 26 April 2017
and signed on its behalf by:

.....*M B Roberts*.....

M B Roberts

Director

CFR INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 OCTOBER 2016

	Share capital £	Merger reserve £	Profit and loss account £	Total equity £
At 1 November 2015	1	99,999	2,141,323	2,241,323
Profit for the year	-	-	448,649	448,649
Total comprehensive income	-	-	448,649	448,649
At 31 October 2016	1	99,999	2,589,972	2,689,972

	Share capital £	Merger reserve £	Profit and loss account £	Total equity £
At 1 November 2014	1	99,999	1,657,857	1,757,857
Profit for the year	-	-	483,466	483,466
Total comprehensive income	-	-	483,466	483,466
At 31 October 2015	1	99,999	2,141,323	2,241,323

CFR INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 OCTOBER 2016

	Share capital £	Total £
At 1 November 2015	<u>1</u>	<u>1</u>
At 31 October 2016	<u>1</u>	<u>1</u>

	Share capital £	Total £
At 1 November 2014	<u>1</u>	<u>1</u>
At 31 October 2015	<u>1</u>	<u>1</u>

CFR INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 OCTOBER 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the year		448,649	483,466
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	72,059	108,785
Loss on disposal of tangible assets		14,316	-
Finance costs	6	28,061	28,782
Corporation tax expense	10	153,634	170,610
		<u>716,719</u>	<u>791,643</u>
Working capital adjustments			
Decrease in debtors	13	1,273,508	597,343
Decrease in creditors	15	(1,144,702)	(719,857)
Cash generated from operations		845,525	669,129
Corporation tax paid	10	(215,362)	(194,932)
Net cash flow from operating activities		<u>630,163</u>	<u>474,197</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(73,996)	(36,024)
Proceeds from sale of tangible assets		13,002	-
Net cash flows from investing activities		<u>(60,994)</u>	<u>(36,024)</u>
Cash flows from financing activities			
Interest paid	6	(28,061)	(28,782)
Repayment of hire purchase liability		(10,866)	(3,673)
Net cash flows from financing activities		<u>(38,927)</u>	<u>(32,455)</u>
Net increase in cash and cash equivalents		530,242	405,718
Cash and cash equivalents at 1 November		<u>1,368,585</u>	<u>962,867</u>
Cash and cash equivalents at 31 October		<u><u>1,898,827</u></u>	<u><u>1,368,585</u></u>

1 General information

The company is a private company limited by share capital incorporated in England & Wales.

The address of its registered office is:

The Grange
Pencoyd
Hereford
Herefordshire
HR2 8JY

These financial statements were authorised for issue by the Board on 26 April 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

In accordance with FRS 102 section 1.12 the individual accounts of CFR Investments Limited adopt the following disclosure exemptions;

Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures.

Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.

Section 33 'Related Party Disclosures' - Compensation for key management personnel.

No Profit and Loss Account is presented for the Company as permitted by section 408 of the Companies Act 2006. ..

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 October 2016.

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2016

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Revenue recognition

All revenue arises within the UK and is measured as the fair value of work done and goods and services provided in the normal course of business, net of value added tax, trade discounts and other sales taxes.

Profit is recognised on contracting activity if the financial outcome can be assessed with reasonable certainty by including in the profit and loss account, turnover and related costs as contract activity progresses. Turnover is calculated by the value of work performed to date as a proportion of the total contract value, less any future foreseeable losses.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets is stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2016

Asset class	Depreciation method and rate
Leasehold improvements	10% straight line basis
Plant and machinery	25% straight line basis
Motor vehicles	25% straight line basis
Computer equipment	25% straight line basis

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Long term contracts

Amounts recoverable on long term contracts which are included in debtors are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised at the transaction price and are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

CFR INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 OCTOBER 2016**

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

3 Turnover

The analysis of the group's turnover for the year from continuing operations is as follows:

	2016	2015
	£	£
Rendering of services	<u>28,197,454</u>	<u>30,219,272</u>

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2016

The total turnover of the group and the company for the year has been derived from the group's principal activity wholly undertaken in the United Kingdom.

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2016	2015
	£	£
Sub lease rental income	<u>36,000</u>	<u>36,000</u>

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2016

5 Operating profit

Arrived at after charging/(crediting)

	2016	2015
	£	£
Depreciation expense	72,059	108,785
Operating lease expense - property	146,369	145,350
Operating lease expense - plant and machinery	583,371	686,810
Loss on disposal of property, plant and equipment	<u>14,316</u>	<u>-</u>

6 Interest payable and similar expenses

	2016	2015
	£	£
Interest on bank overdrafts and borrowings	27,809	27,933
Interest on obligations under finance leases and hire purchase contracts	82	281
Interest expense on other finance liabilities	<u>170</u>	<u>568</u>
	<u>28,061</u>	<u>28,782</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016	2015
	£	£
Wages and salaries	5,866,777	6,661,971
Social security costs	540,212	644,816
Pension costs, defined contribution scheme	<u>183,197</u>	<u>182,784</u>
	<u>6,590,186</u>	<u>7,489,571</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2016	2015
	No.	No.
Production	116	143
Administration and support	<u>91</u>	<u>102</u>
	<u>207</u>	<u>245</u>

8 Directors' remuneration

No remuneration was paid to the directors during the year.

The cost of the services of the company's directors has been borne by a related party, C F Roberts (Holdings) Limited, and recharged to the group as an element of the management charges made by C F Roberts (Holdings) Limited.

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2016

9 Auditors' remuneration

	2016	2015
	£	£
Audit of these financial statements	1,900	1,850
Audit of the financial statements of subsidiaries of the company pursuant to legislation	<u>25,060</u>	<u>21,025</u>
	<u>26,960</u>	<u>22,875</u>
Other fees to auditors		
Taxation compliance services	2,000	5,000
All other assurance services	<u>1,040</u>	<u>1,300</u>
	<u>3,040</u>	<u>6,300</u>

The cost of the auditors' remuneration is borne by the main trading subsidiary, C F Roberts (Electrical Contractors) plc.

10 Taxation

Tax charged in the profit and loss account

	2016	2015
	£	£
Current taxation		
UK corporation tax	152,800	180,532
UK corporation tax adjustment to prior periods	<u>(1,208)</u>	<u>-</u>
	151,592	180,532
Deferred taxation		
Arising from origination and reversal of timing differences	<u>2,042</u>	<u>(9,922)</u>
Tax expense in the income statement	<u>153,634</u>	<u>170,610</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2015 - higher than the standard rate of corporation tax in the UK) of 20% (2015 - 20%).

The differences are reconciled below:

	2016	2015
	£	£
Profit before tax	<u>602,283</u>	<u>654,076</u>
Corporation tax at standard rate	120,457	130,815
Expenses not deductible for tax purposes	32,252	33,996
Reversal of deferred tax timing differences	2,042	(9,922)
Difference between capital allowances and depreciation	933	11,103
Sundry tax adjusting items	<u>(2,050)</u>	<u>4,618</u>
Total tax charge	<u>153,634</u>	<u>170,610</u>

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2016

11 Tangible assets

Group

	Leasehold improve- ments £	Computer equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 1 November 2015	173,741	224,063	165,293	239,226	802,323
Additions	-	4,352	47,738	21,906	73,996
Disposals	-	-	(58,412)	-	(58,412)
At 31 October 2016	173,741	228,415	154,619	261,132	817,907
Depreciation					
At 1 November 2015	142,619	184,001	110,944	217,796	655,360
Charge for the year	13,555	17,038	28,102	13,364	72,059
Eliminated on disposal	-	-	(31,094)	-	(31,094)
At 31 October 2016	156,174	201,039	107,952	231,160	696,325
Carrying amount					
At 31 October 2016	17,567	27,376	46,667	29,972	121,582
At 31 October 2015	31,122	40,062	54,349	21,430	146,963

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2016 £	2015 £
Motor vehicles	-	8,287

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2016

12 Investments

Company

	2016	2015
	£	£
Investments in subsidiaries	<u>100</u>	<u>100</u>
Subsidiaries		£
Cost or valuation		
At 1 November 2015		<u>100</u>
At 31 October 2016		<u>100</u>
Carrying amount		
At 31 October 2016		<u>100</u>
At 31 October 2015		<u>100</u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2016	2015
Subsidiary undertakings				
CFR Group Services Limited	England & Wales	Ordinary	100%	100%
C F Roberts (Electrical Contractors) plc*	England & Wales	Ordinary	100%	100%
C F Roberts (FM) Limited*	England & Wales	Ordinary	100%	100%
Marbid Partnership Limited*	England & Wales	Ordinary	100%	100%
Strebor Fire & Security Systems Limited*	England & Wales	Ordinary	100%	100%

* Shares in these companies are held by CFR Group Services Limited

The principal activity of CFR Group Services Limited is that of a holding company.

The principal activity of C F Roberts (Electrical Contractors) plc* is that of electrical contractors.

The principal activity of C F Roberts (FM) Limited* is that of a dormant company.

The principal activity of Marbid Partnership Limited* is that of a dormant company.

The principal activity of Strebor Fire & Security Systems Limited* is that of a dormant company.

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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13 Debtors

	Note	Group		Company	
		2016 £	2015 £	2016 £	2015 £
Trade debtors		3,152,260	4,307,351	-	-
Amounts owed by related parties	22	258,830	203,014	-	-
Other debtors		7,294	7,813	-	-
Prepayments		277,620	411,765	-	-
Amounts recoverable on long term contracts		2,296,245	2,335,814	-	-
Total current trade and other debtors		<u>5,992,249</u>	<u>7,265,757</u>	<u>-</u>	<u>-</u>

14 Cash and cash equivalents

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Cash on hand	1,175	1,178	-	-
Cash at bank	<u>1,897,652</u>	<u>1,367,407</u>	<u>1</u>	<u>1</u>
	<u>1,898,827</u>	<u>1,368,585</u>	<u>1</u>	<u>1</u>

15 Creditors

	Note	Group		Company	
		2016 £	2015 £	2016 £	2015 £
Due within one year					
Loans and borrowings	19	-	10,866	-	-
Trade creditors		3,869,538	4,603,794	-	-
Amounts due to related parties	22	250,000	250,000	-	-
Social security and other taxes		806,125	1,172,586	-	-
Other payables		178,325	217,136	100	100
Accrued expenses		157,236	162,410	-	-
Corporation tax	10	<u>51,762</u>	<u>115,532</u>	<u>-</u>	<u>-</u>
		<u>5,312,986</u>	<u>6,532,324</u>	<u>100</u>	<u>100</u>

16 Deferred tax and other provisions

Group	Deferred tax £	Total £
At 1 November 2015	7,658	7,658
Increase (decrease) in existing provisions	<u>2,042</u>	<u>2,042</u>
At 31 October 2016	<u>9,700</u>	<u>9,700</u>

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2016

17 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £183,197 (2015 - £182,784).

18 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary 'A' shares of £0.01 each	80	0.80	80	0.80
Ordinary 'B' shares of £0.01 each	20	0.20	20	0.20
	<u>100</u>	<u>1</u>	<u>100</u>	<u>1</u>

19 Loans and borrowings

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Current loans and borrowings				
Finance lease liabilities	<u>-</u>	<u>10,866</u>	<u>-</u>	<u>-</u>

20 Obligations under leases and hire purchase contracts

Group

Finance leases

The total of future minimum lease payments is as follows:

	2016	2015
	£	£
Not later than one year	-	10,866

Operating leases

The total of future minimum lease payments is as follows:

	2016	2015
	£	£
Not later than one year	455,330	665,584
Later than one year and not later than five years	646,694	852,886
Later than five years	840,000	960,000
	<u>1,942,024</u>	<u>2,478,470</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £728,721 (2015 - £832,160).

CFR INVESTMENTS LIMITED
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21 Contingent liabilities

Company

The company is party to a group VAT registration. The company's liability in respect thereof at 31 October 2016 was £433,441 (2015 - £548,762).

22 Related party transactions

Group

Key management compensation

	2016	2015
	£	£
Salaries and other short term employee benefits	<u>232,315</u>	<u>216,566</u>

Summary of transactions with other related parties

The group continued to receive the benefit of a loan, for the purposes of working capital, of £250,000 (2015 - £250,000) from Barrington Investments Limited, a company under the common control of Mr M B Roberts. During the year, loan interest of £27,800 (2015 - £27,800) was paid at market rate of 11.1%. The loan is repayable on demand and included within Creditors: Amounts owed to related undertakings.

During the year, the group was charged management charges amounting to £402,530 (2015 - £327,195) by C F Roberts (Holdings) Limited. At the year end, an amount of £nil (2015 - £75,000) was unpaid and was included in accruals and deferred income in creditors: amounts falling due within one year. The group loaned monies to C F Roberts (Holdings) Limited, for the purposes of working capital, of £258,830 (2015 - £203,014), a company under the common control of Mr M B Roberts. The loan is interest free, repayable on demand, and included within Debtors: Amounts owed by participating interests.

During the year, the group made recharges of £217,567 (2015 - £244,869) for labour and expenses to Calbarrie Compliance Services Limited, a company in which the directors of the group, Mr I R Henderson and Mr P S Roberts, and Mr M B Roberts, the ultimate controlling party, have an interest. During the year, the group also recharged rent amounting to £36,000 (2015 - £36,000) to Calbarrie Compliance Services Limited. During the year, the group was charged £61,681 (2015 - £70,172) for services provided by Calbarrie Compliance Services Limited. At the balance sheet date, the amount due from Calbarrie Compliance Services Limited was £38,465 (2015 - £35,706).

During the year, the group paid rent for its operating premises, on a commercial basis, of £127,350 (2015 - £127,350) to the RHL Pension Scheme, in which Mr M B Roberts, the ultimate controlling party, has an interest. At the balance sheet date, the amount due to RHL Pension Scheme was £nil (2015 - £nil). The group also paid rent for operating premises, on a commercial basis, of £18,000 (2015 - £18,000) to M B Roberts, the majority shareholder of the group. At the balance sheet date, the amount due to Mr M B Roberts was £nil (2015 - £nil).

During the year, the group made sales of £7,284 (2015 - £4,028) and paid management charges of £311,562 (2015 - £268,389) to Paisy LLP, a partnership in which the directors of the company, Mr I R Henderson and Mr P S Roberts, have an interest. At the balance sheet date, the amount due to Paisy LLP was £2,167 (2015 - £12,840).

Company

Summary of transactions with other related parties

At the balance sheet date, the company owed £100 (2015 - £100) to C F Roberts (Holdings) Limited and is included within Creditors: Other Payables in the consolidated financial statements.

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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23 Parent and ultimate parent undertaking

The ultimate controlling party is Mr M B Roberts by virtue of his majority shareholding in the company.

24 Transition to FRS 102

These are the group's and company's first financial statements prepared in accordance with FRS 102. The accounting policies in note 2 have been applied in preparing the financial statements for the year ended 31 October 2016 and the comparative information presented in these financial statements for the year ended 31 October 2015.

In preparing its FRS 102 financial statements, there has been no impact on equity or profit and loss.